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17 May 2005

MEMORANDUM

From: Traveling Inspector *M. C. Cruder* 5/17/05 Reply to G-MO-1
Attn of: M. C. Cruder
703-418-6605

To: Supervisor, Marine Safety Detachment Sturgeon Bay, WI
Via: Chief, Quality Assurance Staff *J. L. Lawrence* 5/18/05

Subj: STREAMLINED INSPECTION PROGRAM (SIP) INITIAL EVALUATION;
WASHINGTON ISLAND FERRY - WASHINGTON ISLAND, WI

Ref: (a) NVIC 2-99: "Guidance on the Streamlined Inspection Program (SIP)"

1. BACKGROUND: At the request of the Supervisor, Marine Safety Detachment (MSD) Sturgeon Bay, WI, visited Washington Island on 11 May 05 to conduct a preliminary evaluation and initial SIP Inspection Audit on the ARNI J. RICHTER; O.N. 1140323 to determine its suitability for initial enrollment in the SIP, under the guidance published in reference (a).

MSD Sturgeon Bay and Washington Island Ferry have been working together over the last 12 months to enroll the above vessel in the national SIP. Utilizing the joint industry/CG SIP Interactive Guide downloaded from the Coast Guard Headquarters SIP home page, Washington Island Ferry assessed their suitability and used the guide to properly make application for the program and create a draft SIP Company Action Plan. This was submitted in May 2004 with a request to consider the company's newest vessel, delivered in May 2003 and waive the 3 year vessel operating requirement in 46 CFR 8.515. The request was evaluated by MSD Sturgeon Bay and a favorable endorsement sent to CCGD9(m) in June 2004. CCGD9(m) granted the waiver via memo in September 2004. LT Gilmore was assigned as SIP Advisor and worked with Washington Island Ferry to refine their Company and Vessel Action Plans as well as conduct training. In January 2005, the SIP Company and Vessel Action Plans were approved by OCMi Milwaukee (CDR Hamilton). A trial period ending OOA 30 May 05 was set out to coincide with the vessel's annual inspection cycle.

2. SIP INSPECTION NARRATIVE: Arrived at Washington Island Ferry, Washington Island, WI on 11 MAY 05 in company with LT Gilmore and CWO Damman. Met with Washington Island Ferry President Dick Purinton, SIP Agent Hoyt Purinton, SIP Company Representative Fred Hankwitz and several of the designated, company trained SIP Examiners. The vessel is a 99.8 ft steel vessel built in 2003 and originally certificated under Subchapter K for the carriage

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of 250 passengers, but subsequently reduced to 150 passengers because of the financial implications of the recently implemented MTSA regulations. Substantial discussion ensued, which included assessments on both sides of where each perceived they were in the implementation process, as well as review of the onboard SIP program paperwork. It was mutually agreed that the undersigned would test the performance of the program (now in a trial period of over 4 months) by conducting an SIP inspection IAW the Coast Guard SIP Inspection Form in reference (a). It was further agreed that the outcome of this inspection would determine the timeline and readiness of the vessel and company for full implementation. The results of the SIP Inspection were recorded in enclosure 1. The following comments apply:

a. **Administrative Review:** This review was generally satisfactory. In addition to strictly following the format of the SIP forms available on line, of note was an additional tab labeled "Show Stoppers." This section, derived from the SIP Correction Reports (CRs), summarized all the situations and or inspection discrepancies in one place that required the OCMI to be notified and that restricted the vessel from operating with passengers. Masters at Washington Island Ferry created this one stop reference and found it useful as a "go-no go" guide to vessel operation. No prior SIP Inspections had been conducted during the trial period. Third party certificates for fire fighting and primary lifesaving as well as the annual FCC examination were examined and found satisfactory.

Note: Annual servicing of the onboard IBAs was last conducted on 5/5/04 and past due at the time of this inspection. This was known to MSD Sturgeon Bay and a request had been made prior to this inspection that the IBAs were to be deployed as part of a Passenger Vessel Association training video within the next 30 days and then serviced. MSD Sturgeon Bay agreed to this arrangement in view of the vessel's dedicated run of not more than one mile from either shore. This was considered satisfactory by the undersigned.

b. **SIP Performance Review:** This review was satisfactory, noting that those administering the program were fully aware of and conversant with the details of the program. In discussing implementation in general and focusing on deterrents or hindrances, both sides noted their initial apprehension based on the administrative burden of setting the program up. Both the company and the Coast Guard anticipated that there would be no time saved in the actual conduct of an inspection, but anticipated fewer personnel would be involved per inspection and that the vessel's continuous compliance as well as participation in the onboard safety systems would be the benefit. The President of the company was also mindful of recent recommendations from the NTSB to the passenger vessel industry regarding the use of Safety Management Systems, and thought the SIP process would certainly move the company safety culture in that direction. In discussing implementation strategy, it was noted that the Inspection Criteria References (ICRs)

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were in their first cycle of use, and although downloaded from CGHQ SIP Home Page, were being refined as expected through actual use. A review of vessel CRs over the 4 month trial period only produced 1 repair to a non-regulatory item. This lack of CRs, while not the norm, could have been expected given the age of the vessel. Moving behind the non-regulatory CR found, a discussion followed with questions on specific ICRs including interpretations and or how they could be revised. One such case was noted with respect to closures associated with Fire Detection Systems exclusive of Machinery Space Fixed Fire-Fighting, since the vessel is not equipped with a second Fire Detection System. It was recommended that ICR C-06 be revised to reflect the actual installation onboard. This was noted for correction, but considered minor and recorded in enclosure 1 for action. Similar specific questions focused the choices made for the subsequent Material Review that follows.

c. **Material Review:** Three subsystems were demonstrated by the SIP Vessel Agent, who is also a trained SIP Examiner, which included primary lifesaving (EPIRB); firefighting (fire pump operation on ship's power, including a demonstration of fire main pressure from all four deck hose stations); and steering system (inspection of steering gear and operational test with individual pumps, then both pumps from both the primary and secondary steering stations). These systems were all found to be satisfactory. Three additional subsystems identified during the SIP Performance Review, were brought forward for examination at this time and included the outfitting of fire stations, main machinery space ventilation trunk closures associated with the installed fixed extinguishing system and inspection of the steering gear individual components in the steering gear space for leakage and or abnormalities per the associated ICR. All were satisfactory, with the exception of the fire stations which were not fitted with spanner wrenches. This discrepancy was noted in enclosure 1 for correction, but also considered minor in view of the excellent condition of the new equipment and the short time frame necessary to correct the situation. A walk-through of the vessel was conducted, examining all passenger, crew and below deck spaces (voids), as well as the main machinery space. The overall condition of the vessel was consistent with its recent construction and precluded further and or expanded inspection.

It was agreed that a man overboard drill would be conducted, so the vessel was manned and got underway. Weather conditions were sunny with good visibility, but blustery. Winds were about 15-20 knots even in the chosen area where there was a dedicated lee. A steep, short chop was building to about a 3-4 foot sea at the time of the drill. A lifejacket was used for the retrieval operation. The vessel is not fitted with a rescue boat, although an IBA could be deployed in an extreme case. The vessel is equipped with side ramps which can be lowered to a horizontal position consistent with the car deck height (full freeboard) and an aluminum ladder modified to include a small platform for a crew member to stand on along side the vessel. A long boat hook is also available to the crew. The drill was generally satisfactory, in that the retrieval eventually

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took place, but under the weather conditions and with the arrangement/devices available, actual retrieval would have been doubtful. Both sides agreed that the existing man overboard procedures should be reviewed and revised. MSD Sturgeon Bay agreed to loan Washington Island Ferry their "Rescue Randy" manikin as an aid to evaluating and revising their procedures. This item was brought forward for correction and recorded in enclosure 1 for follow-up.

d. ***Conclusion/Recommendation:*** This vessel was considered in compliance with the approved SIP Action Plans and satisfactorily maintained at the required level of safety consistent with program requirements. Although there were several items requiring follow-up interaction with the local Coast Guard, none were of sufficient scope to delay full enrollment into the SIP at this time. The Coast Guard SIP Inspection Form in enclosure 1 was endorsed as such and signed by both representatives of Washington Island Ferry and MSD Sturgeon Bay in attendance. The SIP Inspection was then considered complete.

3. **CONCLUSIONS:** Based on the above, it is concluded that:

a. the SIP on the car ferry ARNI J. RICHTER appears to be fully implemented and functioning as intended;

b. the owner is using this system as a Safety Management Tool to involve assigned masters and crew in the familiarity and upkeep of safety systems aboard the vessel;

c. as noted above, there is no anticipated reduction in time aboard the vessel for inspections, but it is anticipated that fewer personnel will be necessary to execute an SIP inspection in the same amount of time both parties are accustomed to for a traditional inspection;

d. there is indication already of increased and better communication between Washington Island Ferry and MSD Sturgeon Bay in what was already deemed a good relationship as a result of engaging in the SIP.

3. **RECOMMENDATIONS:** Based on the above conclusions, it is recommended that:

a. MSD Surgeon Bay:

1. amend the current COI for this vessel by adding the SIP specific endorsement formally enrolling this vessel into the national SIP per reference (a);
2. complete the SIP Initial Entry Case in MISLE and scan/attach this report to that case;
3. conduct the recommended and mutually agreed to follow-up as per enclosure 1;
4. provide G-MOC (LCDR Nussbaumer) with any feedback or comments on using the

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new MISLE SIP Product Set;

5. continue the expansion of enrollment with Washington Island Ferry as mutually agreeable to include the rest of their inspected ferry fleet; and

6. continue this program within the AOR as other suitable candidates become interested and available.

b. G-MOC:

1. post the details of this report on the SIP Home Page under "Lessons Learned" to ensure maximum distribution to the field and the industry; and

2. respond to and support any issues received by MSD Sturgeon Bay with regard to using the new MISLE SIP product sets.

c. G-MO-1:

1. continue to be available to provide field support and consistency for these initial evaluations as requested by OCMI's nationally and to respond further to any follow-up items by Washington Island Ferry and MSD Sturgeon Bay in connection with this initial evaluation.

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Enclosure (1): SIP Inspection Form dated 5/11/05 for M/V ARNI J. RICHTER

Copy: G-M, G-MO, G-MOC, CCGD9(m), MSO Milwaukee, Group Milwaukee, Washington Island Ferry

Coast Guard SIP Inspection Form	THE STREAMLINED INSPECTION PROGRAM (SIP): PROGRAM GUIDANCE	Section: VI.D Page: 1
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Date: 5/11/05

MSIS CASE#: MI _____

PARTICULARS

VESSEL NAME: ARNI J. RICHTER VIN: 1140323
 GEOGRAPHIC LOCATION (City, State): WASHINGTON ISLAND
 PHYSICAL LOCATION (Berth, Pier): FERRY TERMINAL; WASHINGTON.
 SIP VESSEL REPRESENTATIVE: FRED HANKWITZ
 COAST GUARD MARINE INSPECTOR: MARC CRUDER
 OTHERS ATTENDEES: HOYT PURITON / NICK GILMORE

INSTRUCTIONS

This Coast Guard inspection is to take the form of a SIP Inspection of the vessel's SIP documents, spot checks to verify that the conditions aboard the vessel have been properly documented, and corrective actions have been taken in a timely manner.

Oversight of the SIP involves addressing four general categories of performance indicators:

1. Changes in operational parameters,
2. Breakdowns within the SIP process,
3. Materiel deficiencies, and
4. External indicators.

By keeping these indicators in mind during the SIP Inspection, a proper evaluation of the condition of the SIP will be made. (A review of the Causes for Automatic Disenrollment or Remedial Action found in Section IV of this guidance may be helpful.)

This Coast Guard SIP Inspection Form is broken down into the following four categories. instructions on how to fill it out are provided in each section.

Administrative review,
 SIP Performance review,
 Materiel review, and
 Conclusion / Recommendation.

A copy of this Coast Guard SIP Inspection Form is to be provided to the SIP Vessel Representative upon completion for placement in the VAP.

➔ **The USCG SIP Inspector will collect copies of all ISVs and CRs, ensuring proper deficiency codes are noted, if required.**

Controlling Authority:	G-MOC	Releasing Authority:	G-M	Revision Date:	27 JAN 99	Document ID	NVIC 2-99
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Coast Guard SIP Inspection Form	THE STREAMLINED INSPECTION PROGRAM (SIP): PROGRAM GUIDANCE	Section: VI.D Page: 2
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ADMINISTRATIVE REVIEW

- Review last Coast Guard SIP Inspection Form noting any problem areas.
Date of report: N/A
- Review and verify contents of Vessel Action Plan.
 - OCMI Approval Letter;; — 1/5/05
 - Method of Adoption of the SIP Into The Company and Vessel;
 - Vessel Tailored Inspection Criteria References (ICR); *
 - Vessel Tailored Inspection Schedule and Verification (ISV) Forms;
 - Vessel Tailored Exam Checklists; and,
 - Correction Reports.
 - Prior CG SIP Inspection Forms N/A
 - h.
- Review and examine third party certifications:
 - a. Firefighting service reports — fixed & portables } LAST serviced 6/04
 - b. Lifesaving service reports — IBA'S X 2 SO MAN } LAST serviced 5/04 *
 - N/A Automation service reports —
 - N/A Cargo gear service reports —
 - e. Other reports not listed: ANNUAL FCC Inspection Report
- Comments: 2(b) — ICR'S INCLUDE SEPARATE "SHOW STOPPER" SECTION.
* 3(b) — IBA'S ARE EXHAUSTED AND WILL BE DEPLOYED THIS FOR TRAINING WITH
30 DAYS PER AGREEMENT WITH MSB SURGEON BAY AND THEN SERVICED. VESSEL
DOES NOT TRANSIT MORE THAN ONE MILE FROM SHORE ON A DEDICATED RUN.

SIP PERFORMANCE REVIEW

- Discuss SIP procedures with the SIP Vessel Representative and SIP Examiner(s). Determine if their knowledge of the SIP is current and remains adequate.
- Discuss the implementation of the SIP on this vessel. Have there been deterrents or hindrances? Is the VAP sufficient to ensure the safety of the vessel and crew? Have there been recurring problems or deficiencies? Discuss the methods used to overcome these problems.
- Through discussions with the SIP Vessel Representative and SIP Examiner(s), determine if the SIP ICRs being used on this vessel are sufficient for the equipped systems and subsystems. *
- Review ISVs and CRs from the previous twelve months. Review Exam Checklists from any three of the previous 12 months. Note contradictions between forms or incorrect form completion.
- Comments: #2 } BOTH SIDES INITIALLY APPREHENSIVE ABOUT INITIAL ADMIN LOAD,
BUT NOW ACCEPTED BY BOTH SIDES, INTERACTIVE SIP GUIDE USED BY INDUSTRY,
SIP EVAL MODULE USED BY CG.
* #3 } REVISE ICR C-06 TO REFLECT VESSEL INSTALLATION (NO SEPARATE FIRE DETECTION SYSTEM)
#4 } REVIEWED AND FOUND SAT - CR REVIEWED WAS A NON-REGULATORY ITEM
(SEARCHLIGHT)

Controlling Authority:	G-MOC	Releasing Authority:	G-M	Revision Date:	27 JAN 99	Document ID	NVIC 2-99
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MATERIEL REVIEW

Conduct a walk-through of the vessel with the SIP Vessel Representative to determine the vessel's general condition. While on the walk-through conduct the following:

- a. Witness the testing of at least three subsystems; one from the Lifesaving system, one from the Firefighting system and one other system. Request the SIP Examiner demonstrate the inspection criteria for each of these subsystems.

- Demonstrated items were:

~~Life~~ Lifesaving - ICR Number: E-01 (EP12B)

~~Fire~~ Firefighting - ICR Number: C-05 (Fire Pump)

~~Steering~~ - ICR Number: P-02 (Steering Gear OP Test)

- b. Inspect at least three additional subsystems. (Preferably ones that had deficiencies noted on a recent Examination Checklist, ISV or CR. Request the SIP Examiner explain why the subsystem item needed correction and the method used to correct the item. Compare the actual state of the item against the CR entry.)

- Items examined were:

ICR Number: C-05 - Fire Main System (Fittings) *

ICR Number: C-01(H) - Fixed CO₂ (Closures)

ICR Number: P-02(C) - ~~Fire~~ Steering (OP Test) (Leakage)

Witness a fire and abandon ship drill conducted by the vessel crew, MAN OVERBOARD

3. Comments:

- 1) Revise ICR C-06 TO REFLECT ACTUAL INSTALLATION (NO SEPARATE FIRE DETECTION SYSTEM)
- 2) Provide ON BOARD SUITABLE SPANNER WRENCHES @ EACH FIRE STATION
- 3) RE-EVALUATE/REVISE MAN OVERBOARD PROCEDURES AND DEMONSTRATE TO THE SATISFACTION OF THE COAST GUARD

CONCLUSION / RECOMMENDATION

1. The vessel has been satisfactorily maintained at the required level of safety.
2. There are deficiencies which require remedial action, such as, revisions in VAP or SIP forms, closer adherence to the defined program, any of which may warrant additional Coast Guard and company interaction.

3. There are deficiencies that require disenrollment from the program.

THE ITEMS LISTED IN COMMENTS ABOVE WILL BE COMPLETED NOT 15 JUN 95.
THIS VESSEL IS RECOMMENDED FOR FULL EMPLOYMENT IN SIP w/ CGI ENDORSEMENT

COAST GUARD MARINE INSPECTOR:

LT, USCG, MSD Sturgeon

SIP VESSEL REPRESENTATIVE:

(Signatures)